



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 3, 1999

H.R. 1378

A bill to authorize appropriations for carrying out pipeline safety activities under chapter 601 of title 49, United States Code

As ordered reported by the House Committee on Commerce on April 21, 1999

SUMMARY

The Department of Transportation's Office of Pipeline Safety (OPS) is responsible for regulatory, research, and risk management activities aimed at enhancing safety in the transportation of gas and hazardous liquids by pipeline. The office also provides grants to states to further promote pipeline safety. These two pipeline safety programs are currently authorized through fiscal year 2000. (Public Law 104-304 authorized appropriations of \$73 million to OPS for 1999 and 2000.) H.R. 1378 would authorize additional appropriations of \$79 million for the programs over the 2000-2002 period. (The bill would leave the 1999 authorization unchanged and would increase the 2000 authorization by \$500,000.) H.R. 1378 also would require OPS to provide a detailed response to the National Transportation Safety Board's recommendations for improving pipeline safety. In addition, the bill would earmark \$500,000 out of the amounts authorized for fiscal year 2000 for damage prevention.

OPS has authority to charge and collect fees from pipeline users to offset some or all of the costs of the pipeline safety programs. In 1998, for example, fees of \$29 million offset most of the programs' gross cost of \$32 million. H.R. 1378 would specify the amounts of fees to be collected over the 1999-2002 period, which would range from \$29 million to \$32 million. Such fees are recorded as offsetting receipts—a credit against direct spending. Because H.R. 1378 would affect direct spending, pay-as-you-go procedures would apply; but CBO estimates that fees collected under the bill would exceed those under current law by less than \$500,000 a year.

Assuming appropriation of the specified amounts, CBO estimates that implementing H.R. 1378 would increase net spending by \$16 million over the 1999-2004 period. That amount represents the difference between additional outlays of \$78 million for the increase

in the 2000 authorization and for the new 2001 and 2002 authorizations, and the estimated fees of \$62 million for the latter two years.

H.R. 1378 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1378, is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

| | By Fiscal Year, in Millions of Dollars | | | | | |
|---|--|------|------|------|------|------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a | | | | | | |
| Estimated Net Authorization ^b | 0 | 1 | 8 | 8 | 0 | 0 |
| Estimated Outlays | 0 | c | 4 | 7 | 4 | 1 |

a. H.R. 1378 would also affect direct spending, but changes would be less than \$500,000 a year.

b. The amounts shown are the differences between the bill's authorized funding levels for each year and the estimated fee collections under current law.

c. Less than \$500,000.

Assuming appropriation of the amounts authorized and collection of fees at the amounts specified in H.R. 1378, CBO estimates that implementing the bill would increase net outlays by about \$16 million over the 1999-2004 period. That figure represents increases in the net authorization for the program of \$500,000 in 2000, \$8 million in 2001, and \$8.2 million in 2002. In each of these cases, the change in net authorization is the difference between the gross funding level and the expected fees. The bill would authorize gross funding of \$36 million for 1999 (as authorized in current law), and gradually rising amounts up to \$40 million for 2002. The bill specifies collections of fees to offset the spending for pipeline safety, rising from \$29 million in 1999 to \$32 million in 2002. The fee levels in H.R. 1378 are identical to CBO's estimates of fees for 1999 and 2000 under current law. For 2001 and 2002, the bill's fee levels are slightly greater than the amounts that CBO estimates would be collected under a simple extension of current law (allowing for annual increases to keep pace with anticipated inflation). As a result, we estimate changes in fees of less than \$500,000 a year for 2001 and 2002.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. The only impact of the bill on direct spending would be its effect on collections from fees, and that amount would be less than \$500,000 in each of the years 2001 and 2002.

| | By Fiscal Year, in Millions of Dollars | | | | | | | | | | |
|---------------------|--|------|------|------|------|------|------|------|------|------|------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Changes in outlays | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in receipts | | | | | | | | | | | |

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 1378 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Of the amount authorized for the Office of Pipeline Safety over the 1999-2002 period, about \$32 million would be earmarked for grants in fiscal years 2001 and 2002 to be used to reimburse up to 50 percent of the cost of state pipeline safety programs. In addition, state regulators of pipeline safety would benefit from training and research provided by OPS.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no new private-sector mandates as defined in UMRA.

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